(b) if so, the corrective action and effective supervision proposed over the cooperative banks and deterrent action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) has reported that it is not aware whether the Registrar of Co-operative Societies, Andhra Pradesh had given any warnings to the Krushi co-operative Bank Ltd., Hyderabad against repayment of deposits. However, based on the findings of a quick scrutiny of the books of accounts of the bank in March 2001, RBI had issued certain directions in June 2001 to the said bank to improve its operations, especially in credit management. On receipt of information about the liquidity problems with the bank in August, 2001, RBI had issued a requisition to the Registrar of Co-operative Societies, Andhra Pradesh to supersede the Board of Management of the bank, invoking the provisions of Section 115-B of the Andhra Pradesh Co-operative Societies Act. Consequently an order was issued by the Registrar to supersede the Board of Management of the bank and appointed an Administrator to take charge. RBI has also filed a criminal complaint in the Chief Metropolitan Magistrate's Court at Hyderabad against the Board of Directors and the Chief Executive Officer of the bank.

Since there was no proposal for revival of the bank or its merger with a strong unit, Government of Andhra Pradesh approached RBI in October 2001 for permission to wind up the bank. RBI had granted this permission under Section 115-B of the Andhra Pradesh Co-operative Societies Act. The Registrar, Co-operative Societies, Andhra Pradesh has since issued orders for liquidation of the bank of 16th October, 2001.

Increase in interest rate on farmer's loan

196. PROF. A. LAKSHMISAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that NABARD proposed to increase the rate of interest on the loan given to the farmers; and

(b) if so, what are the reasons therefor and its overall impact on the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) is an apex agency providing refinance facilities to banks on their lending to agriculture and allied activities. It does not provide loans to farmers directly. The decision to fix the rate of interest at farmers'/

beneficiaries' level is left to the discretion of the financing banks as per the scheme of deregulation of interest rates introduced by Reserve Bank of India (RBI) in 1994. NABARD has reported that there is no proposal to increase the rate of interest on refinance in respect of term loan for agriculture, allied and non-farm sector activities. On the contrary, NABARD has reduced the interest rates with effect from 1 November, 2001 by 0.5% on refinance for loaning under rural housing, minor irrigation, waste land development and others by all agencies. Refinance at concessional rate is also available for financing self-help groups. Further, loans upto Rs. 25,000/- extended by cooperative banks qualify for lower rate of interest at 7% p.a. on NABARD refinance. Moreover, the rates of interest for refinance on loans above Rs. 2 lakhs have also been reduced from 10.5% to 10% for all agencies. With this downward revision of interest rate on refinance it is expected that interest rate charged by the financing banks will also get reduced.

Waiver of Sanctions by USA

197. SHRI R. P. GOENKA: Will the Minister of FINANCE be pleased to state:

(a) whether a detailed study has been made of the recent waiver of the 1998 sanctions and prohibitions against India by the US Administration;

(b) if so, the analysis of the studies so far, including the benefits flowing for the dual purpose technologies and international lending by multilateral agencies like the World Bank and the Asian Development Bank;

(c) the details of other sanctions imposed by US at different times which are still operative; and

(d) the steps being taken to seek their removal and their present status?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Details have been furnished in the annexure enclosed. [*See* Appendix *194, Annexure No 1*]

Report of E-Commerce Committee

198. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether the Committee on Electronic Commerce and Taxation has submitted its report to Government;